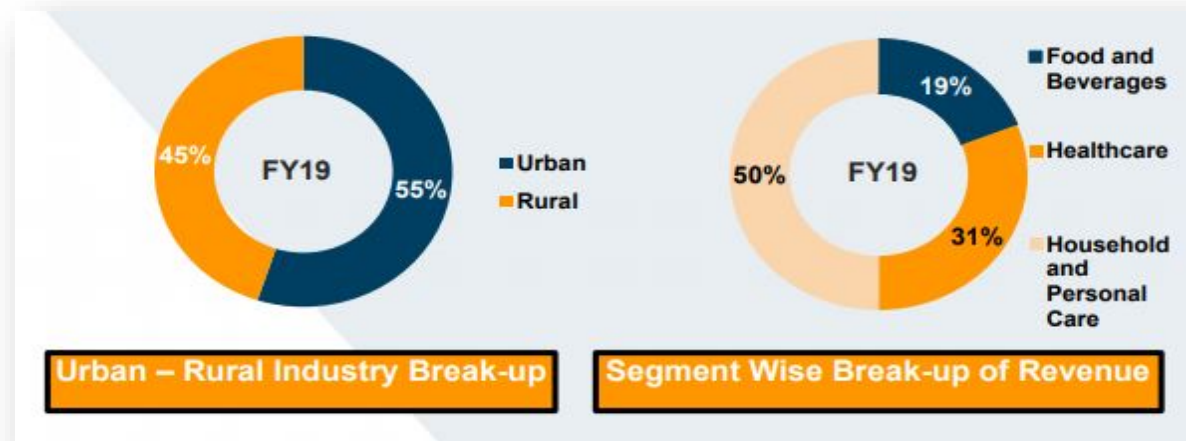


FMCG – Personal Care Products Industry Analysis

BY :- Ajay Dehran

- Fast-moving consumer goods (FMCG) sector is India's fourth largest sector.
- There are three main segments in the sector – food and beverages, which accounts for 19 per cent of the sector; healthcare, which accounts for 31 per cent of the share; and household and personal care, which accounts for the remaining 50 per cent share.
- The urban segment accounts for a revenue share of around 55 per cent and the rural sector accounts for a 45 per cent of the overall revenue by the FMCG sector in India.



1950 - 1980

- Limited Investment
- Low purchasing power
- Government favoring of the small sector

1980 - 1990

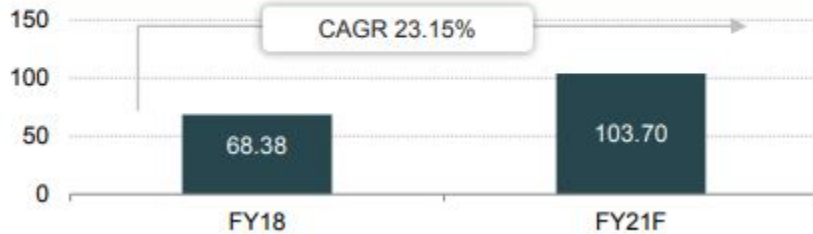
- Increase product availability
- Increase Competition
- Increase media penetration and improved advertisement

1991 and Afterwards

- Interest of foreign company in India
- Government started incentivize foreign FMCG companies.

Market Size

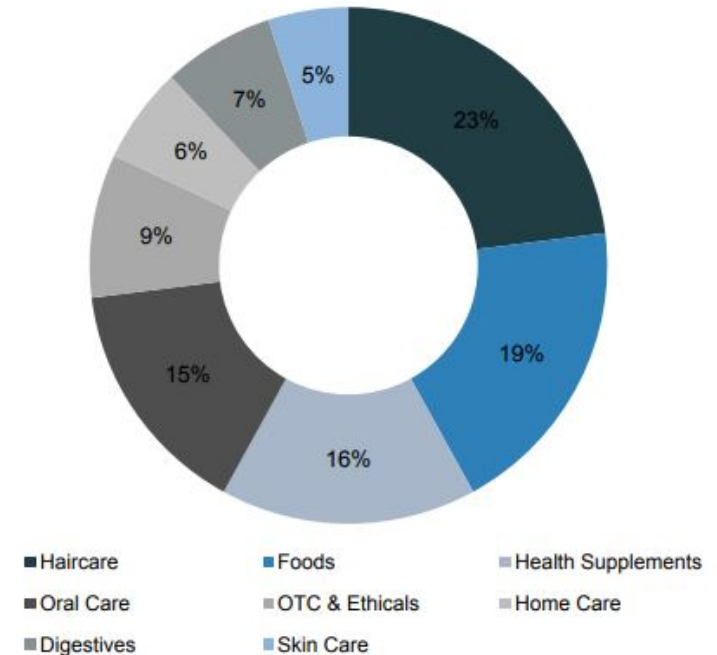
FMCG market in India (US\$ billion)



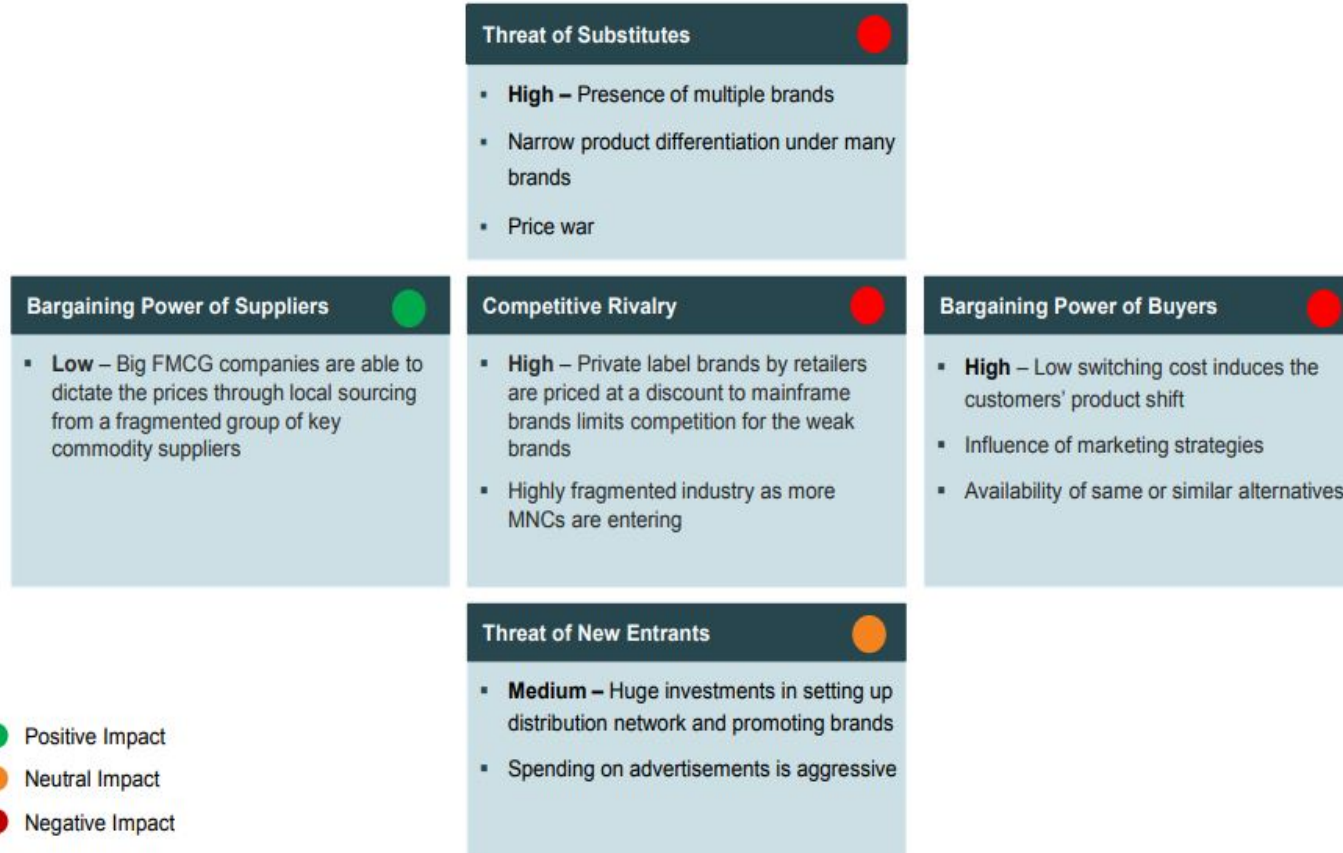
Rural FMCG market in India (US\$ billion)



Revenue share of India (FY20E)



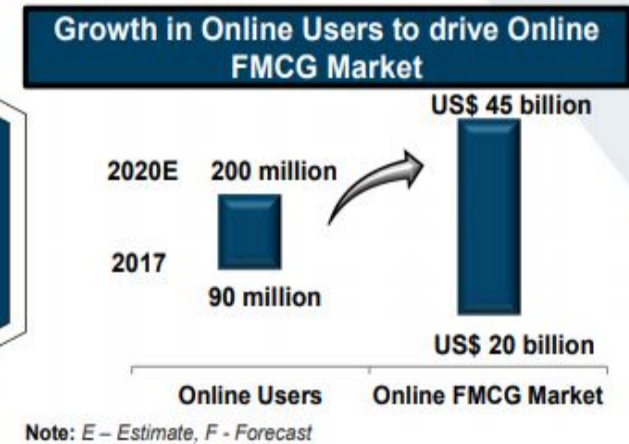
Porter's 5 Forces Analysis



Key Players

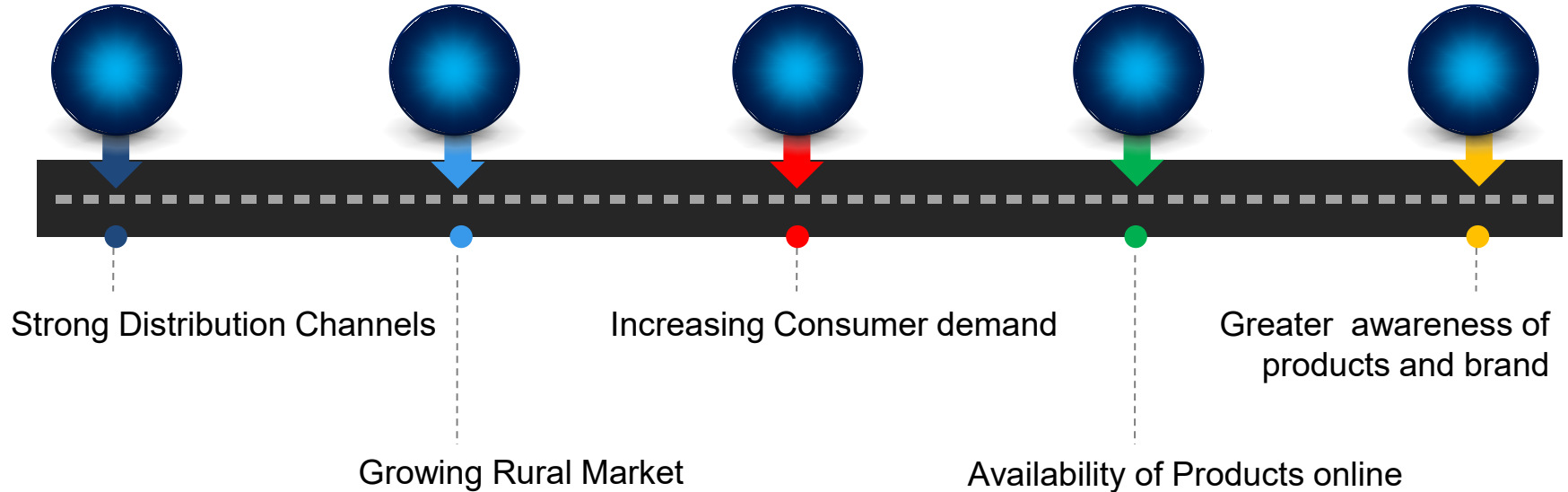


- Rising advertising by FMCG companies
- Growing contribution from rural markets
- Increasing Online FMCG Sales
- Increase in Foreign Direct Investment



- In May 2020, Tata Consumer Products Limited (TCPL) acquired PepsiCo's stake in NourishCo Beverages Limited.
- In March 2020, Hindustan Unilever Limited (HUL) signed an agreement with Glenmark Pharmaceuticals Ltd to acquire its intimate hygiene brand VWash.
- In November 2019, ITC Ltd acquired 33.42 per cent stake in Delectable Technologies, which is a vending machine start-up.
- Nestle plans to invest Rs 700 crore (US\$ 100.16 million) to open a new plant in Sanand for Maggi.
- ITC to invest Rs 700 crore (US\$ 100 million) in food park in Madhya Pradesh.

Growth Drivers for FMCG



1

Goods and Services Tax (GST)

2

FDI in organised retail

3

Relaxation of license rules

4

Food Security Bill (FSB)

Pre Covid-19 Valuation

Valuation Date		12-Feb-20														
Company Name	Ticker	Price	Equity Value	Enterprise Value	D/E Ratio	PE Ratio			Revenue LTM	EV/Revenue			EBITDA LTM	EV/EBITDA		
						LTM	FY20	FY21		LTM	FY20	FY21		LTM	FY20	FY21
HINDUSTAN UNILEVER LIMITED	500696	2,260.45	531,104	528,384	0.01	69.83	67.48	55.54	40,773	12.96	12.76	10.31	10,140	52.11	52.26	40.18
TATA CONSUMER PRODUCTS LIMITED	500800	395.15	36,415	38,000	0.15	58.63	48.78	41.59	7,469	5.09	5.02	3.61	913	41.61	39.62	25.86
JYOTHY LABS LIMITED	532926	141.20	5,185	5,493	0.16	24.12	29.42	25.67	1,834	2.99	3.03	2.80	292	18.83	19.04	17.04
GILLETTE INDIA LIMITED	GILLETTE	6,413.70	20,899	20,589	-	78.46	71.74	55.29	1,851	11.12	10.68	9.58	374	55.05	50.16	38.68
EMAMI LIMITED	531162	292.45	13,000	13,231	0.05	39.14	53.17	38.99	2,761	4.79	4.76	4.23	742	17.84	17.58	15.64
PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED	PGHH	11,367.70	36,900	35,634	-	86.93	74.10	56.84	3,048	11.69	10.95	9.55	577	61.72	53.40	40.27
MARICO LIMITED	MARICO	305.55	39,418	40,034	0.12	31.56	36.38	33.21	7,428	5.39	5.32	4.96	1,436	27.88	26.00	23.72
GODREJ CONSUMER PRODUCTS LIMITED	532424	644.05	65,853	69,974	0.40	29.72	41.02	35.19	10,210	6.85	6.61	5.96	2,237	31.28	30.33	26.57
DABUR INDIA LIMITED	DABUR	519.95	91,897	92,908	0.09	54.55	55.31	49.52	8,948	10.38	9.97	8.96	1,897	48.97	47.64	42.23
COLGATE-PALMOLIVE (INDIA) LIMITED	500830	1,349.80	36,713	35,970	0.05	45.16	43.82	36.58	4,602	7.82	7.77	7.12	1,249	28.80	28.46	24.01
Total			877,384	880,216					88,924				19,857			
High					0.40	86.93	74.10	56.84		12.96	12.76	10.31		61.72	53.40	42.23
Low					-	24.12	29.42	25.67		2.99	3.03	2.80		17.84	17.58	15.64
Mean					0.10	51.81	52.12	42.84		7.91	7.69	6.71		38.41	36.45	29.42
Median					0.07	49.85	50.98	40.29		7.34	7.19	6.54		36.44	34.97	26.21

Post Covid-19 Valuation

Valuation Date		23-Mar-20														
Company Name	Ticker	Price	Equity Value	Enterprise Value	D/E Ratio	PE Ratio			Revenue	EV/Revenue			EBITDA	EV/EBITDA		
						LTM	FY20	FY21	LTM	LTM	FY20	FY21	LTM	LTM	FY20	FY21
HINDUSTAN UNILEVER LIMITED	500696	1,872.55	439,965	437,749	0.01	57.85	55.90	46.01	40,773	10.74	10.57	8.54	10,140	43.17	43.30	33.28
TATA CONSUMER PRODUCTS LIMITED	500800	226.56	20,879	22,464	0.15	33.62	27.97	23.85	7,469	3.01	2.97	2.13	913	24.60	23.42	15.29
JYOTHY LABS LIMITED	532926	88.20	3,239	3,546	0.16	15.06	18.38	16.04	1,834	1.93	1.95	1.81	292	12.15	12.29	11.00
GILLETTE INDIA LIMITED	GILLETTE	4,655.35	15,170	14,860	-	56.95	52.07	40.13	1,851	8.03	7.71	6.91	374	39.73	36.20	27.92
EMAMI LIMITED	531162	164.05	7,292	7,523	0.05	21.95	29.83	21.87	2,761	2.73	2.71	2.40	742	10.15	10.00	8.89
PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED	PGHH	8,917.65	28,947	27,681	-	68.20	58.13	44.59	3,048	9.08	8.50	7.41	577	47.95	41.48	31.28
MARICO LIMITED	MARICO	241.15	31,110	31,726	0.12	24.91	28.71	26.21	7,428	4.27	4.21	3.93	1,436	22.09	20.60	18.79
GODREJ CONSUMER PRODUCTS LIMITED	532424	432.65	44,238	48,359	0.40	19.96	27.56	23.64	10,210	4.74	4.57	4.12	2,237	21.62	20.96	18.36
DABUR INDIA LIMITED	DABUR	396.80	70,131	71,142	0.09	41.63	42.21	37.79	8,948	7.95	7.64	6.86	1,897	37.50	36.48	32.34
COLGATE-PALMOLIVE (INDIA) LIMITED	500830	1,095.70	29,801	29,059	0.05	36.66	35.57	29.69	4,602	6.31	6.27	5.76	1,249	23.27	22.99	19.40
Total			690,771	694,108					88,924				19,857			
High					0.40	68.20	58.13	46.01		10.74	10.57	8.54		47.95	43.30	33.28
Low					-	15.06	18.38	16.04		1.93	1.95	1.81		10.15	10.00	8.89
Mean					0.10	37.68	37.63	30.98		5.88	5.71	4.99		28.22	26.77	21.66
Median					0.07	35.14	32.70	27.95		5.53	5.42	4.94		23.93	23.20	19.10

Post Covid-19 Valuation

Valuation Date		30-Jun-20														
Company Name	Ticker	Price	Equity Value	Enterprise Value	D/E Ratio	PE Ratio			Revenue	EV/Revenue			EBITDA	EV/EBITDA		
						LTM	FY21	FY22	LTM	LTM	FY21	FY22	LTM	LTM	FY21	FY22
HINDUSTAN UNILEVER LIMITED	500696	2,180.00	512,202	509,003	-	67.93	64.50	50.23	39,783	12.79	11.51	9.87	9,861	51.62	46.47	37.51
TATA CONSUMER PRODUCTS LIMITED	500800	387.45	35,706	36,859	0.09	48.60	42.11	34.59	9,637	3.82	3.54	3.22	1,292	28.53	25.37	21.82
JYOTHY LABS LIMITED	532926	117.50	4,315	4,492	0.18	25.89	26.11	19.92	1,711	2.63	2.53	2.29	244	18.44	17.55	14.44
GILLETTE INDIA LIMITED	GILLETTE	4,982.60	16,236	15,926	-	70.09	70.88	53.23	1,792	8.89	8.94	8.12	308	51.66	45.70	34.95
EMAMI LIMITED	531162	220.80	9,815	10,013	0.12	34.31	20.26	18.10	2,655	3.77	3.98	3.69	663	15.10	14.95	13.70
PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED	PGHH	10,151.56	32,953	31,686	-	77.45	73.51	64.21	3,005	10.55	10.57	10.00	558	56.76	51.83	45.45
MARICO LIMITED	MARICO	351.90	45,397	45,652	0.11	45.79	43.44	37.84	7,315	6.24	6.18	5.42	1,411	32.35	31.22	27.26
GODREJ CONSUMER PRODUCTS LIMITED	532424	690.80	70,633	72,694	0.34	44.76	44.86	36.36	9,911	7.33	6.99	6.42	2,144	33.91	33.32	29.47
DABUR INDIA LIMITED	DABUR	465.95	82,353	82,693	0.07	61.42	52.95	46.13	8,704	9.50	9.11	7.92	1,592	51.93	43.70	37.66
COLGATE-PALMOLIVE (INDIA) LIMITED	500830	1,406.70	38,260	37,862	-	46.85	45.09	40.19	4,525	8.37	7.98	7.40	1,202	31.51	29.24	26.44
Total			847,869	846,880					89,038				19,275			
High					0.34	77.45	73.51	64.21		12.79	11.51	10.00		56.76	51.83	45.45
Low					-	25.89	20.26	18.10		2.63	2.53	2.29		15.10	14.95	13.70
Mean					0.09	52.31	48.37	40.08		7.39	7.13	6.43		37.18	33.93	28.87
Median					0.08	47.72	44.97	39.02		7.85	7.48	6.91		33.13	32.27	28.36

1

Change in consumption basket

2

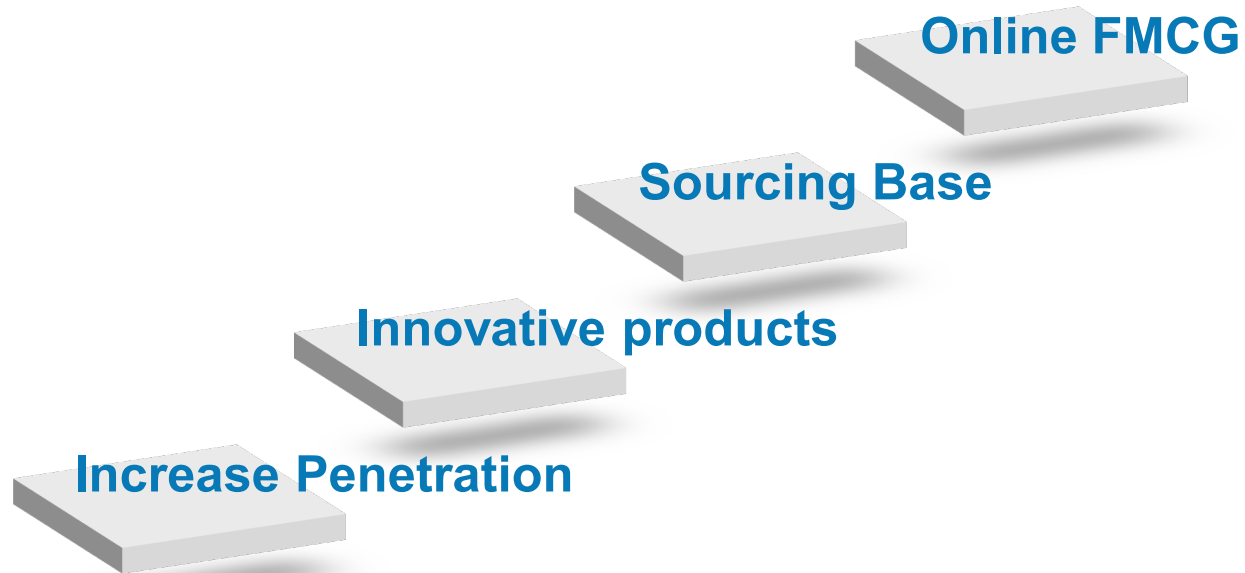
Surge in demand of immunity boasting supplements

3

Enhanced production of necessities products

4

Change in Consumer lifestyles



The top half of the image features a vibrant blue background with a dynamic, wavy pattern of concentric, overlapping lines that create a sense of movement and depth. Below this, a horizontal band of a lighter, pale blue color transitions into a solid white background.

Thank You